



LAKE POWELL PIPELINE

Legislative Water Development Commission
August 22, 2017



Lake Powell Pipeline (LPP) Development Act

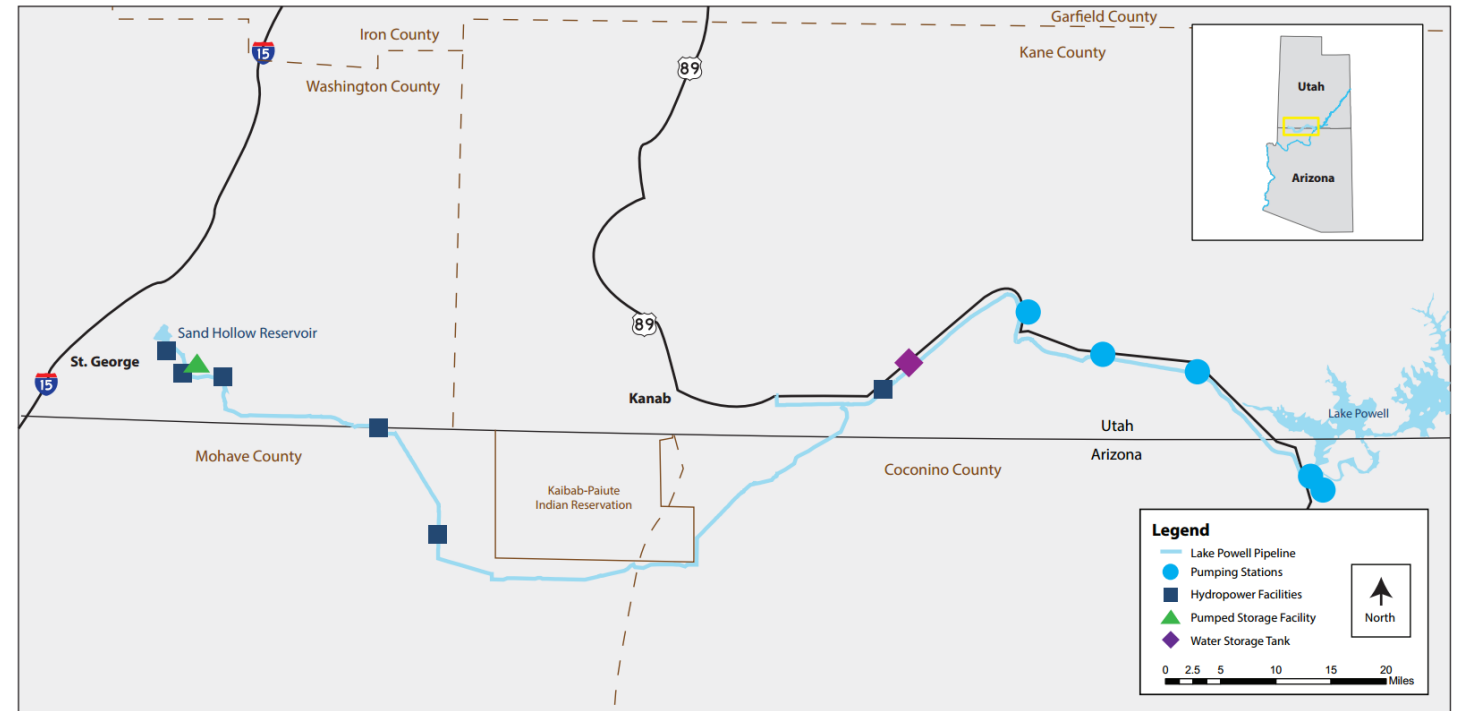
- Passed by Utah State Legislature in 2006
- Directs Board of Water Resources to develop the project
- Approves expenditures of funds for preconstruction, if appropriated
- Requires a contract for the sale of 70% of the water and acquisition of permits required by the environmental impact statement before construction
- Allows the water conservancy districts in Washington and Kane counties to purchase the water

LPP Development Act – Financing

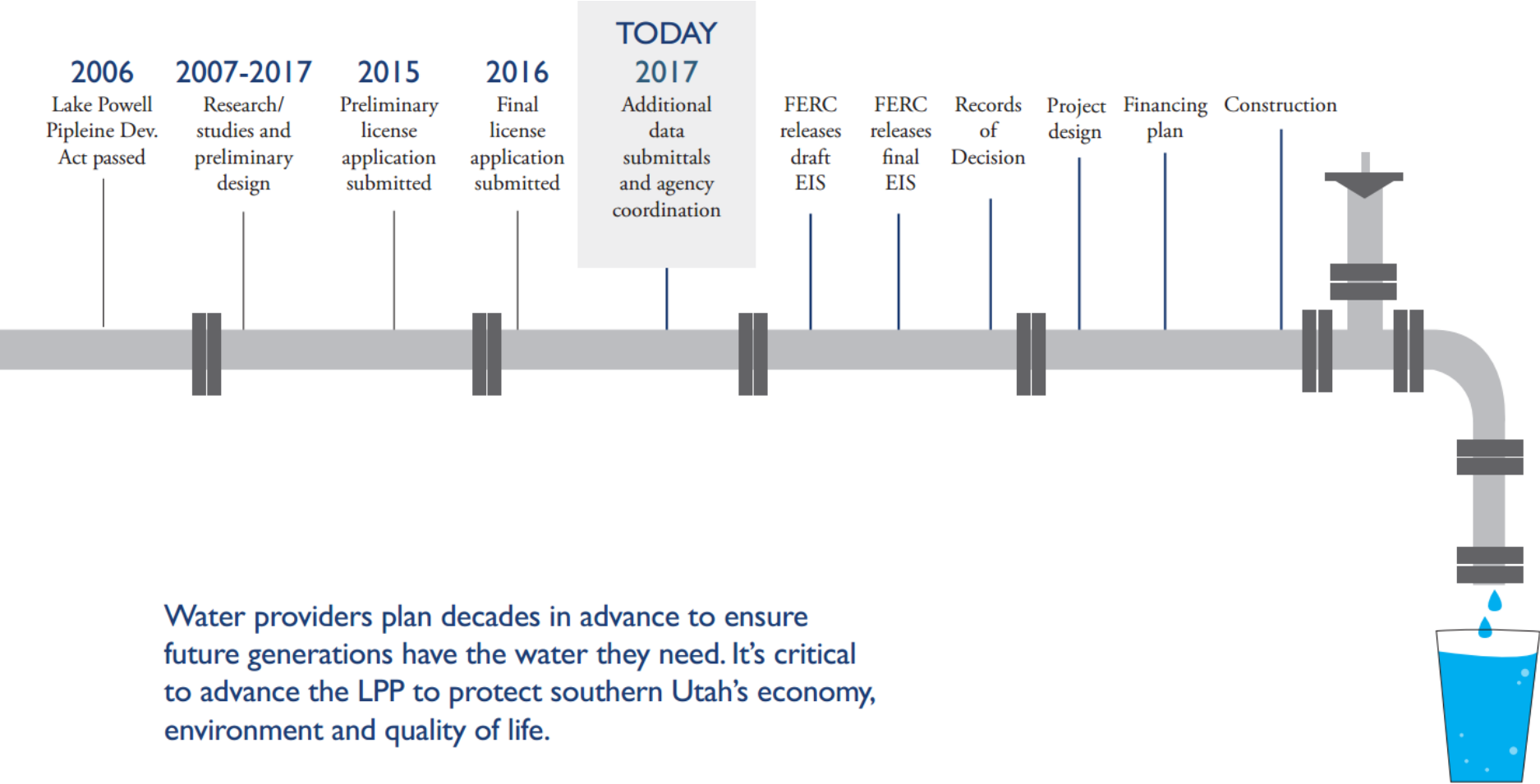
- Financed through the State of Utah
- The districts will repay the state gradually as water is used
 - Repayment terms require 70% of the water be paid within 50-59 years after the project is finished; the remaining 30% paid within 90 years after the project is finished. Earlier repayment is likely with the current water demand projections.
- Hydroelectric revenues may be used to pay project expenses
- Project title may be transferred to the districts once financing is repaid

About the Project

- Delivers 86,249 AF of water
- Proposed Action includes:
 - Approx. 140 miles buried pipeline
 - 5 pump stations
 - 6 hydropower stations
- Other considered alternatives
- Preliminary cost estimates range from \$1.1-\$1.8 billion



Anticipated Timeline



Water providers plan decades in advance to ensure future generations have the water they need. It's critical to advance the LPP to protect southern Utah's economy, environment and quality of life.

Why Utah Needs LPP

PROJECT SERVES 13 SOUTHERN UTAH COMMUNITIES



**SYSTEM
RELIABILITY**



**DROUGHT
PROTECTION**



**ECONOMIC VITALITY/
GROWING COMMUNITIES**

Provides Drought Protection

- Southern Utah has experienced drought 12 out of the 20 past years
- Climate variability
- Stores water closer to local communities



Complements Water Conservation



- Washington County 1st to achieve governor's water conservation goal
- More than 30 percent reduction in water use since 2000 achieved
- Additional efforts underway to further conserve

Provides the Region Another Water Source



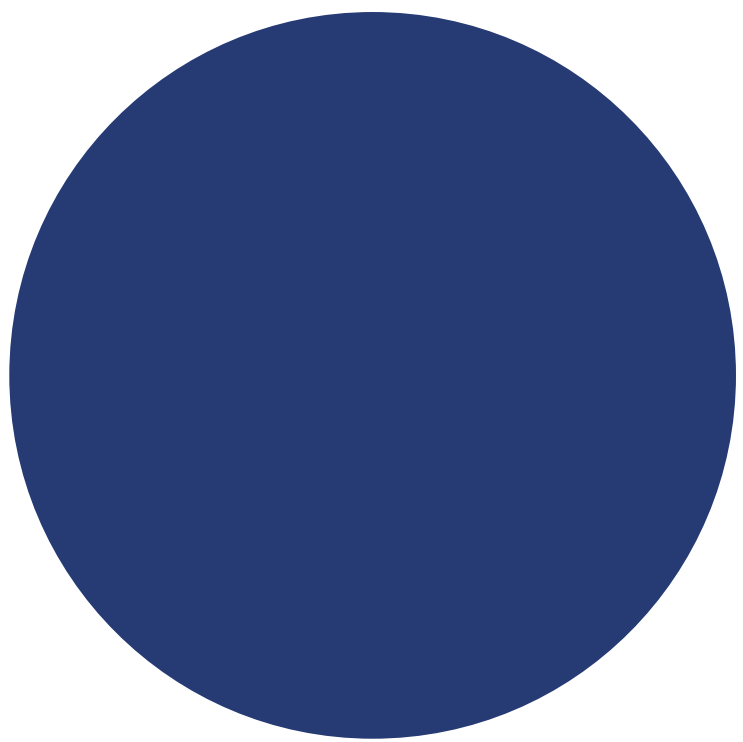
**THE VIRGIN RIVER
BASIN**



**LAKE POWELL/
COLORADO RIVER WATER**

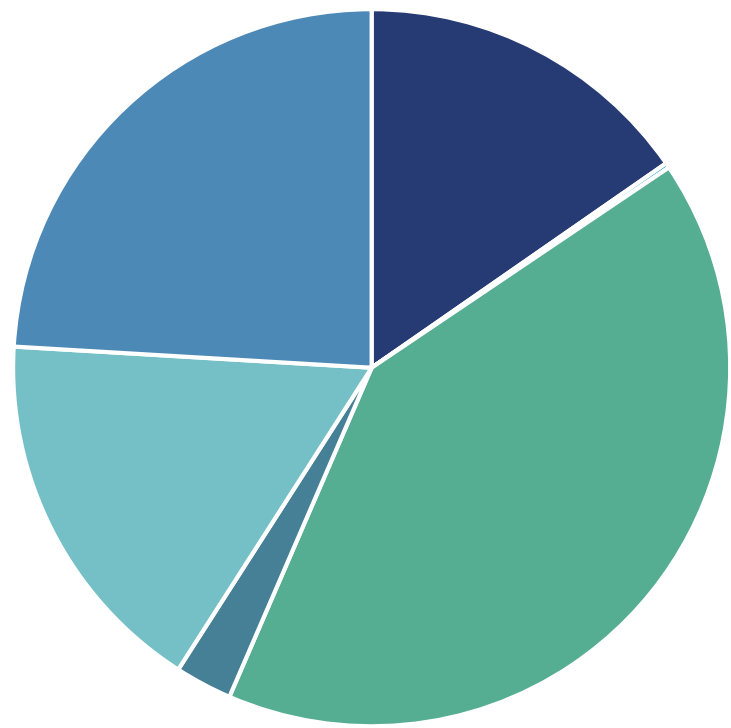
Current Water Sources

Washington County



■ Virgin River Basin

Salt Lake City

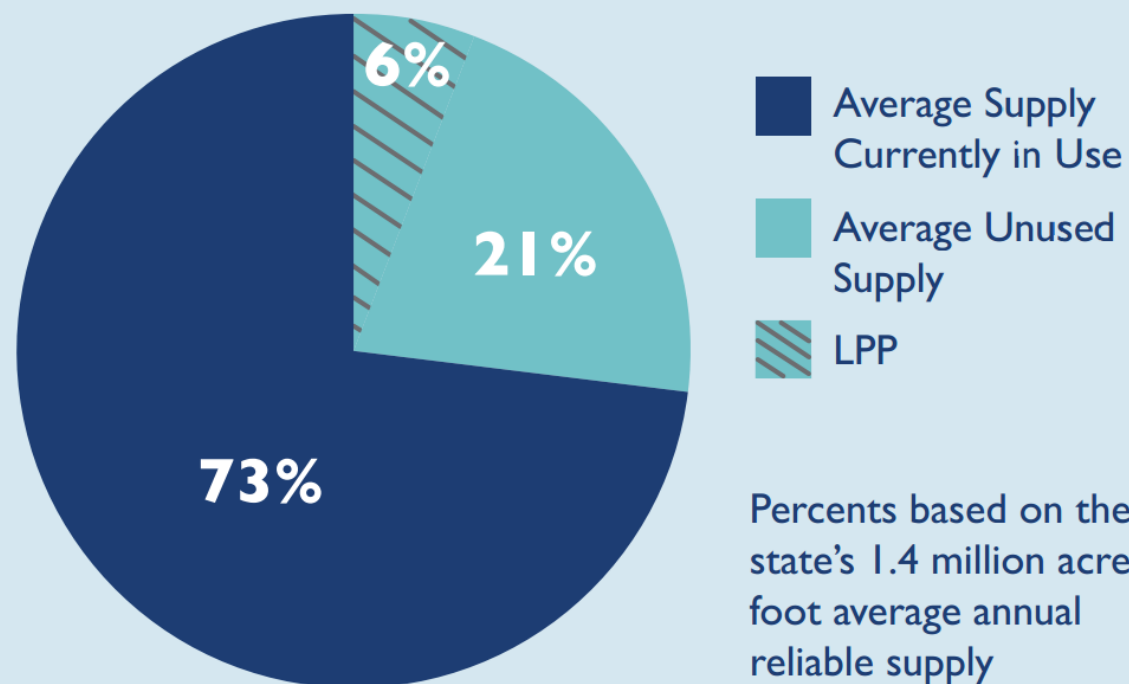


- Little Cottonwood Canyon
- Bell Canyon
- Provo River Project
- Ontario Drain Tunnel
- Central Utah Project
- Exchange Water Agreements

Reliability of the Colorado River

- Utah's water rights on the Colorado River are secure
- Each state has the right to develop and beneficially use their water
- Part of the State's allocation is not currently being used.

Utah's Colorado River Water Use



About Washington County

Percent change vs. one year ago

• GDP	\$4.7 billion	5.9% increase
• Employment	69,483 jobs	6.2% increase
• Personal income	\$4.88 billion	7.2% increase
• Taxable retail sales	\$281 million	10.6% increase
• Transient room tax	\$6.8 million	20.5% increase

All economic indicators signal strong, continued growth.

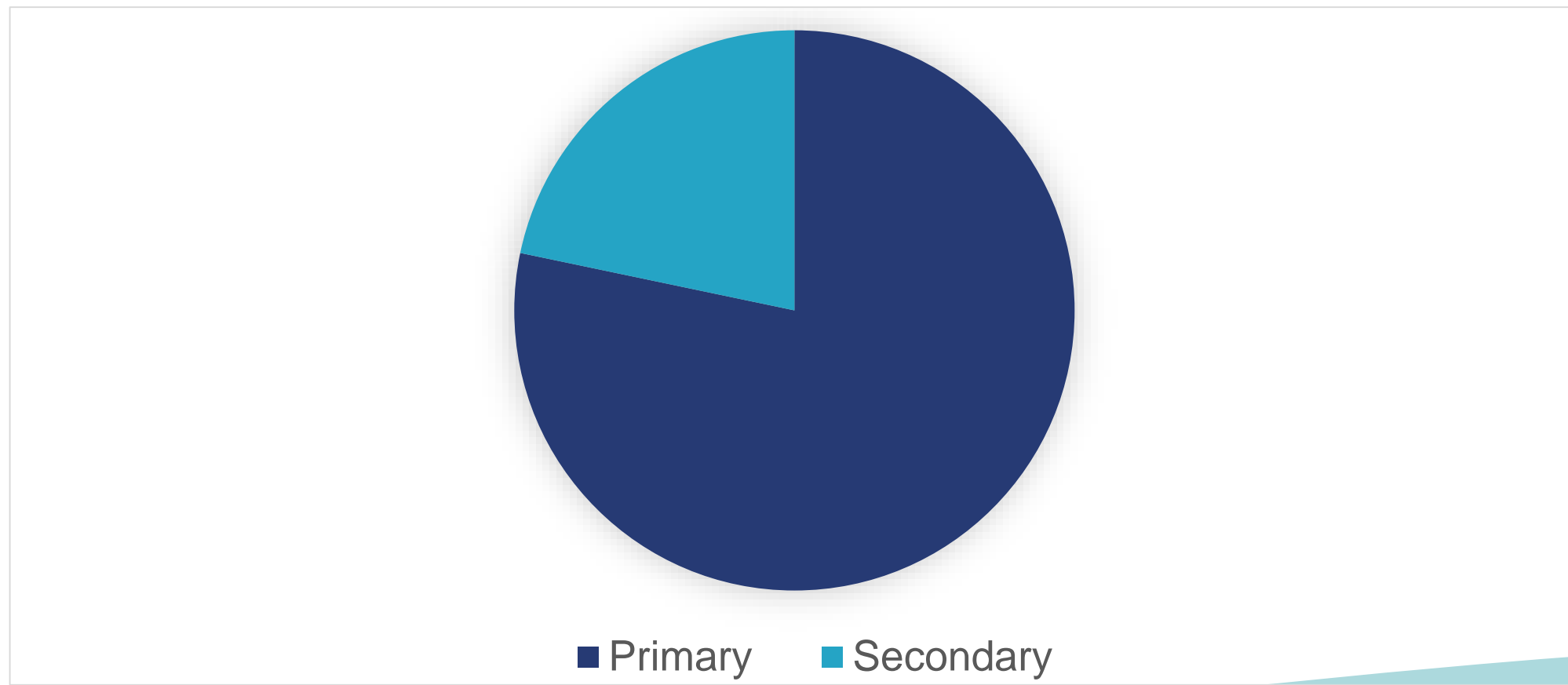
Tourist Destination

6
million
visitors
annually



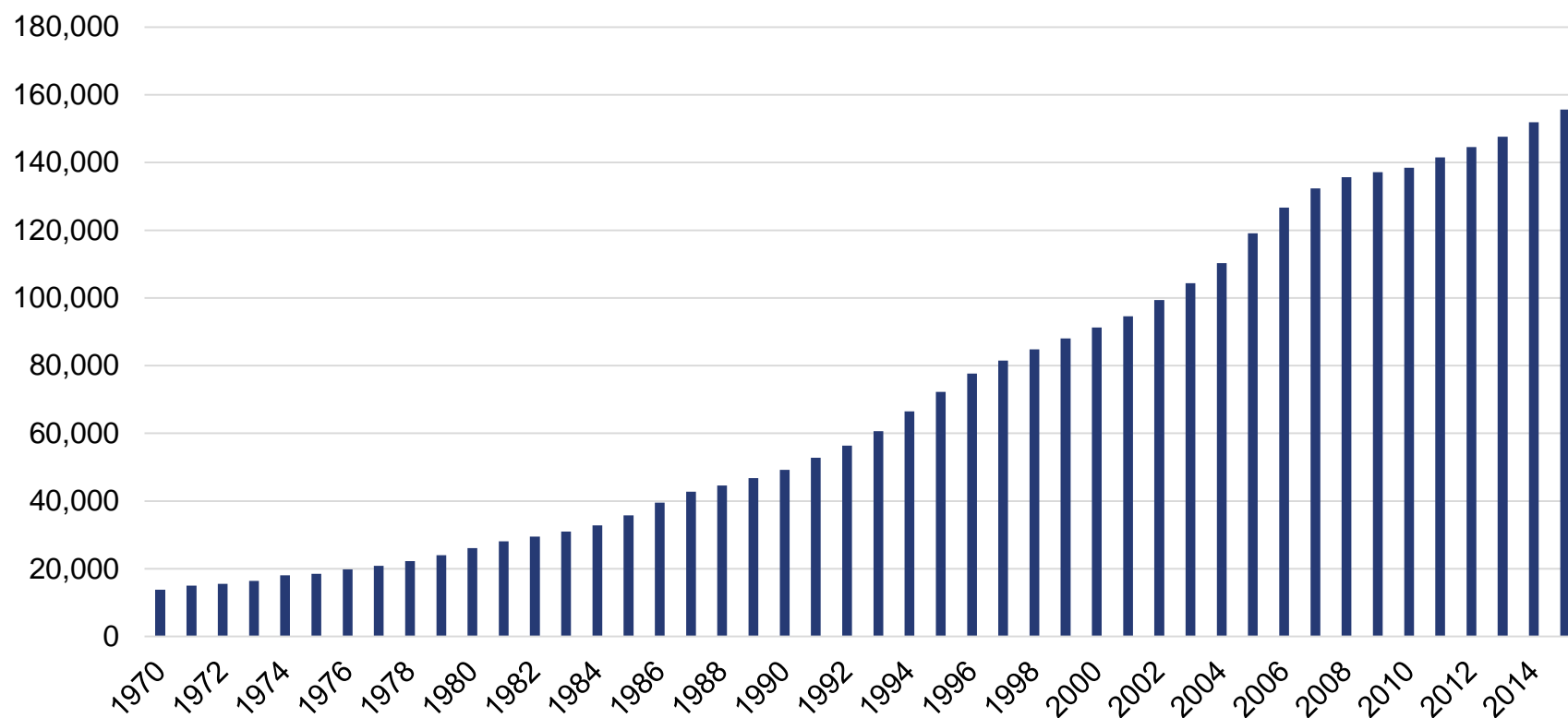
Popular Second Home Community

Approximately 22 percent of homes in Washington County are second homes



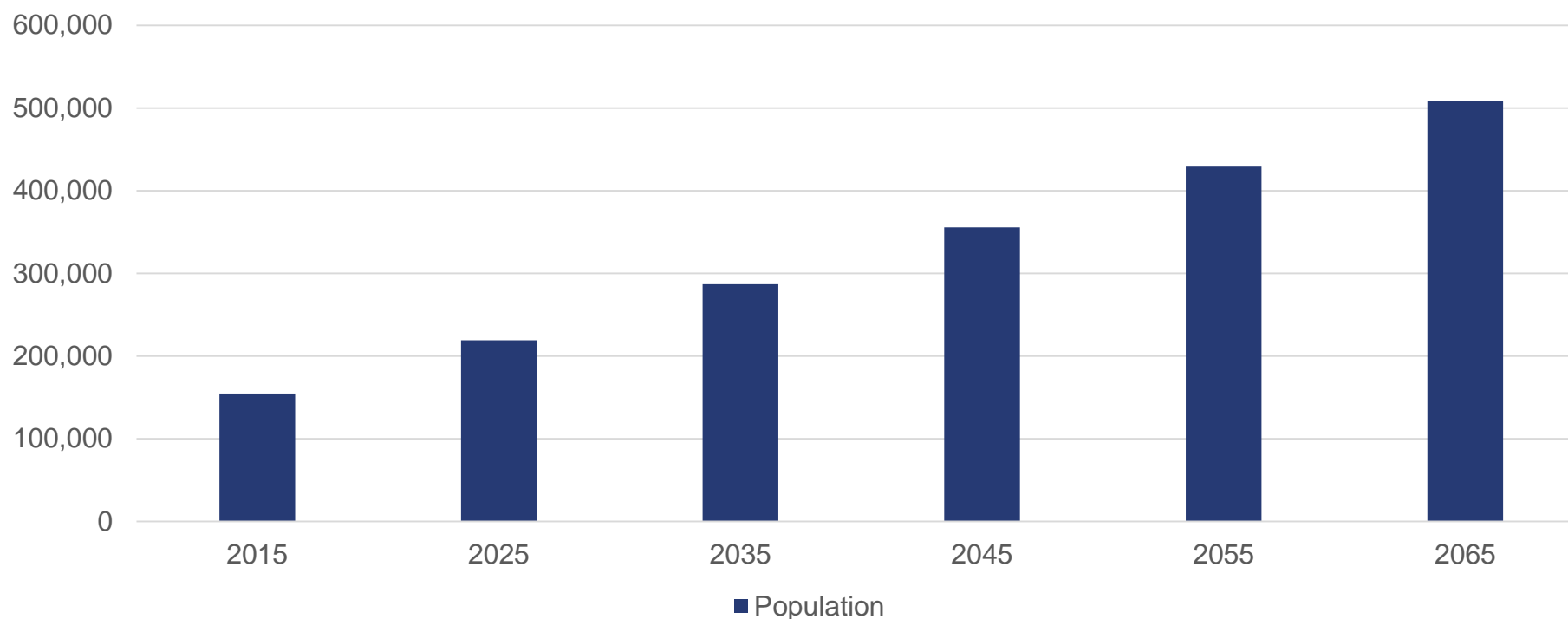
Historical Population Growth

Washington County's population increased by 141,933 residents between 1970 and 2015—a nearly 6% annual average growth rate.

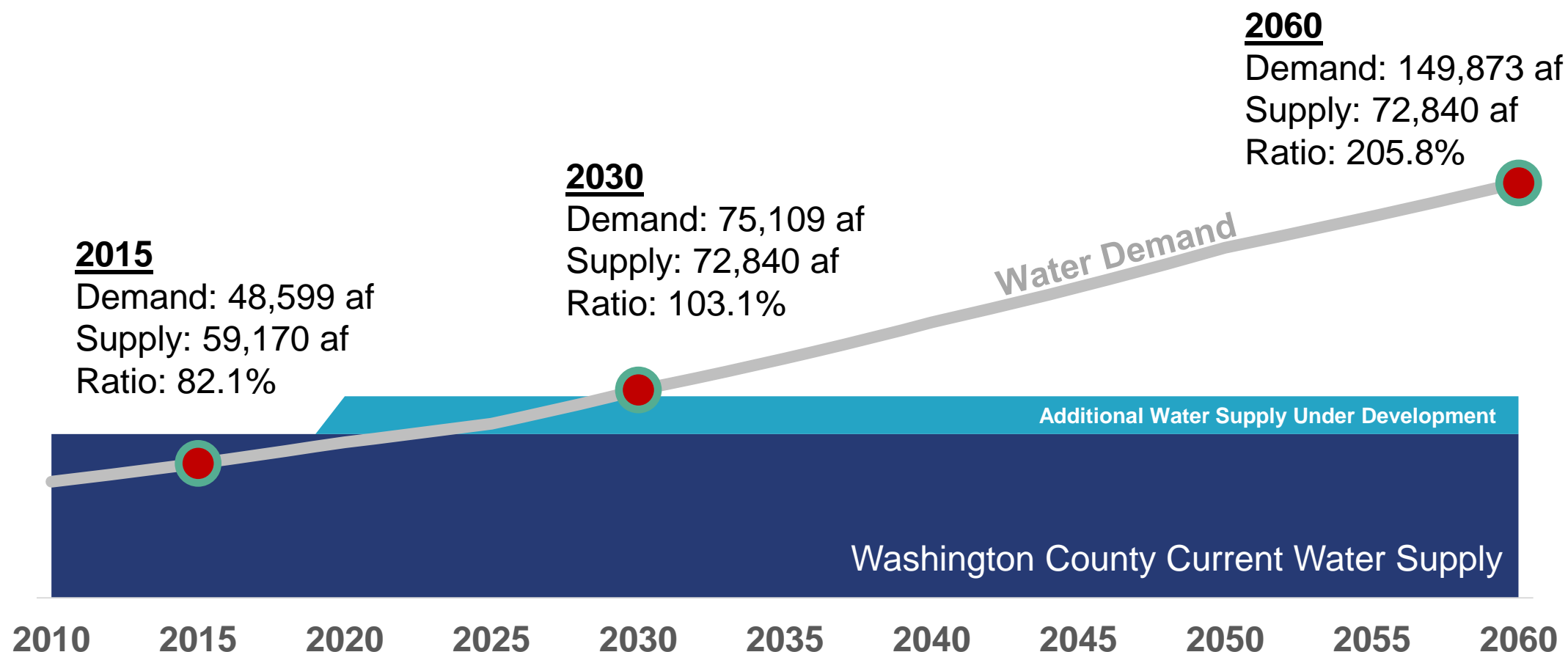


Projected Population Growth

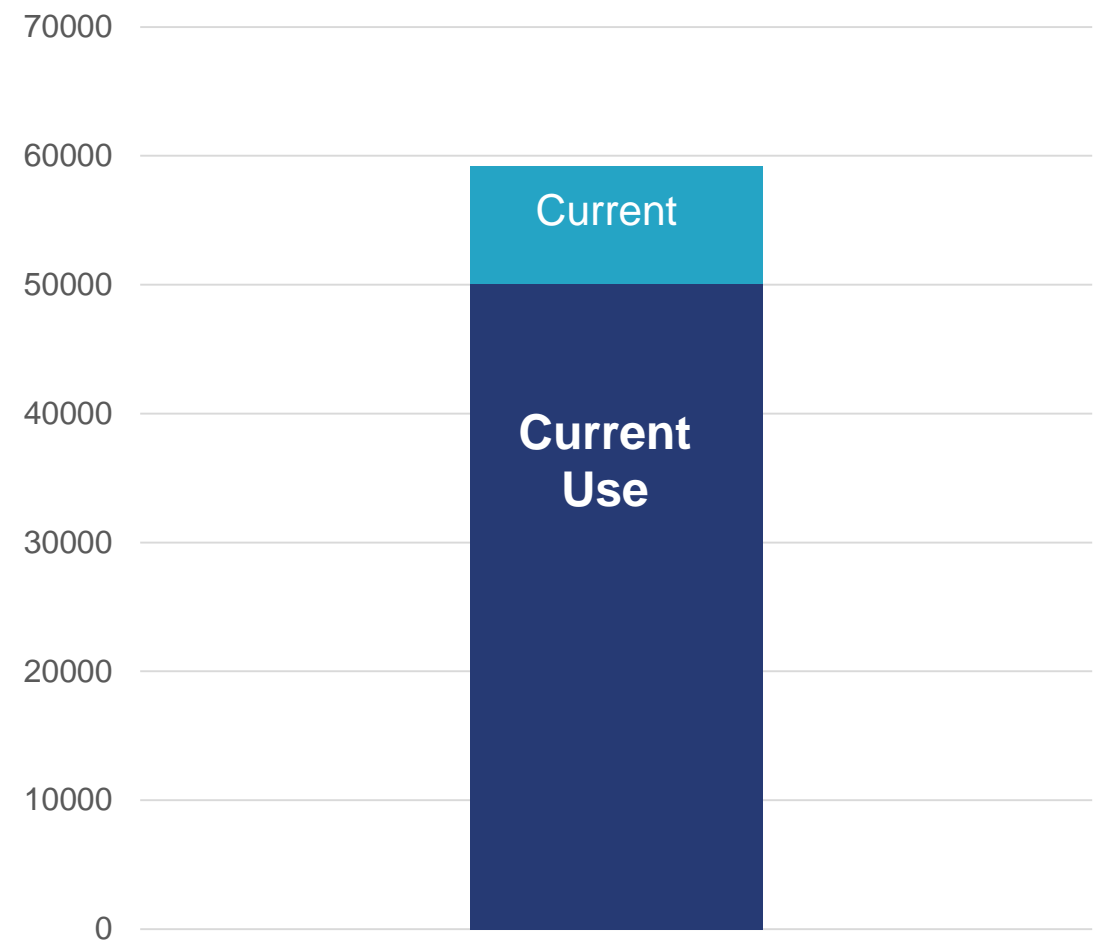
- Washington County's population is projected to more than triple (2015-2065)
- 270 percent increase in households expected – highest percent increase in Utah



Washington County Water Supply and Anticipated Demand

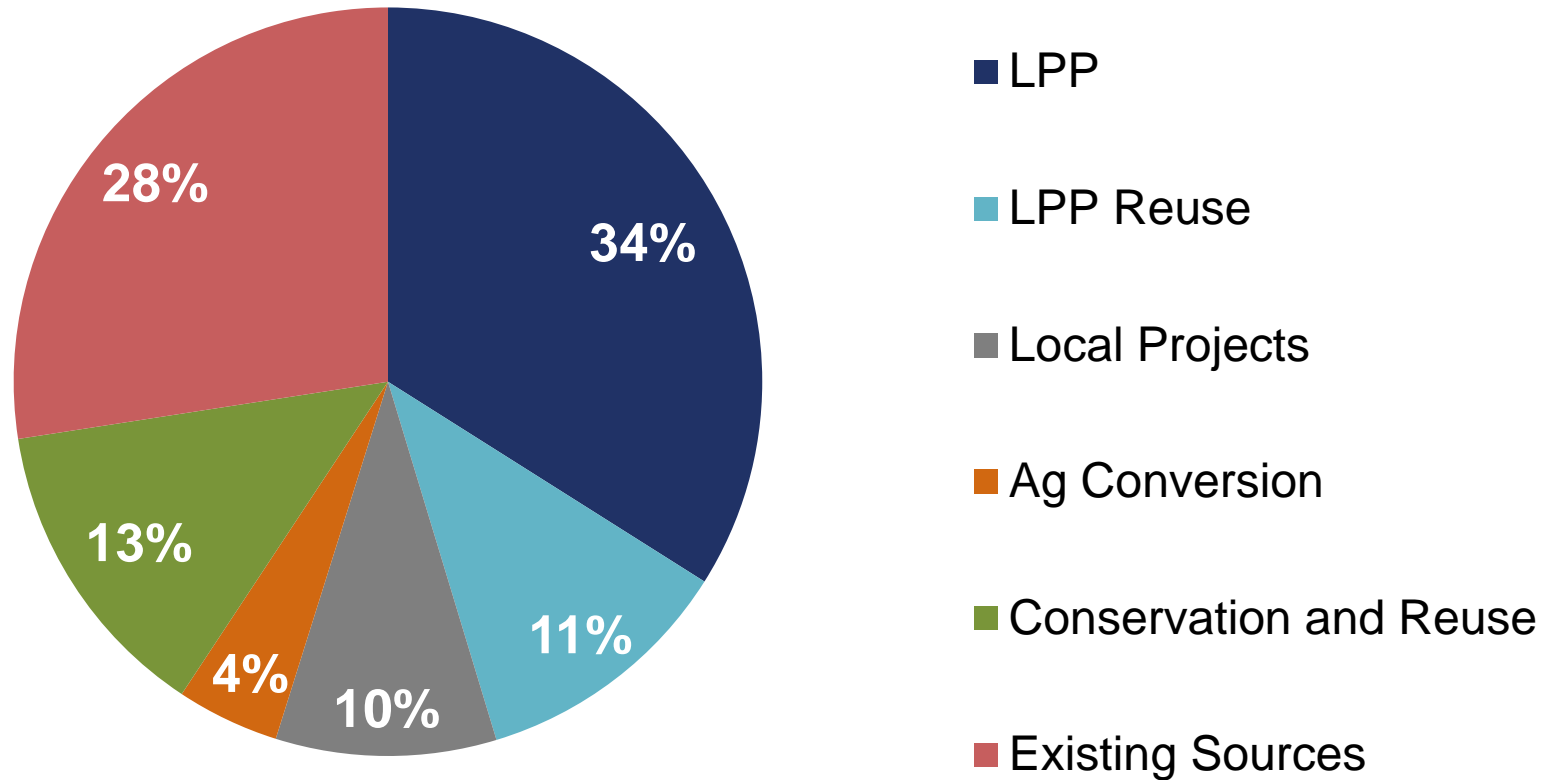


Current Potable Water Supply



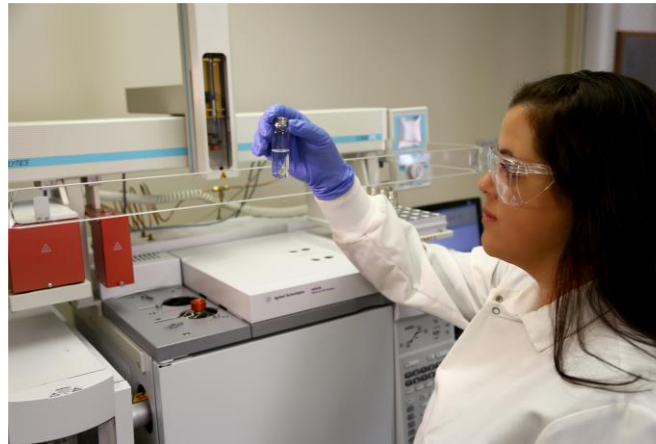
Washington County is currently using approximately 85% of its total potable water supply

Comprehensive Water Supply Plan – 2060



Water for Economic Vitality

- 8,300 businesses
- 90,000 jobs
- \$3.2 billion in wages and salaries



Water for Generations

- Provides water for economic vitality/current and future generations
- Protects against drought
- Reduces the risks of single water source reliance



Q&A

Eric Millis, Director, Utah Division of Water Resources

Ron Thompson, General Manager, Washington County Water Conservancy District

Mike Noel, General Manager, Kane County Water Conservancy District

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